DOCUMENT RESUME

ED 263 505 CG 018 662

AUTHOR Carnevale, Peter J. D.; Leatherwood, Marya L.
TITLE Mediation and the "Chilling" Effect of Med-Arb in a Simulated Labor-Management Dispute.
PUB DATE Aug 85
NOTE 11p.; Paper presented at the Annual Convention of the American Psychological Association (93rd, Los Angeles, CA, August 23-27, 1985).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Arbitration; Collective Bargaining; College Students; *Conflict Resolution; Higher Education; Labor Demands; *Labor Problems; *Negotiation Impasses; Problem Solving; Simulation
IDENTIFIERS Labor Management Cooperation

ABSTRACT

Mediation and mediation-arbitration (med-arb) are two forms of third-party conflict intervention that can affect integrative agreements in labor-management negotiation. In an attempt to evaluate the relative value of each of these two methods, 160 volunteers, almost all business students, were randomly placed into a mediation triad, a med-arb triad, or a no-third-party dyad. The negotiation task for each triad or dyad involved wage rate, cost of living increase, over-time rate, and health benefits. In the med-arb triads the negotiators were told that if they reached no agreement, the mediator would settle the dispute. The negotiators in the mediation triads, however, were told that the issue would remain unresolved if no agreement were reached. The highest joint outcomes were obtained in the med-arb triads; the lowest in the no-third-party dyads. These differences reflected the outcome of the person who did the best, not the outcome of the other negotiator. The outcome difference variable was greatest in the med-arb condition. This suggests that med-arb produced the most competitive atmosphere. Less trust, more insults, and greater interpersonal distance were reported in the med-arb triads. The results indicate that mediator power, as seen in a med-arb situation, produces a "chilling effect" and leads to more inequitable outcomes. The subject sample used in this study may explain the results differing from previous research. (TW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

PAPER PROPOSAL COVER SHEET
1985 APA ANNUAL CONVENTION
Los Angeles, California, August

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Peter Carnevale

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

ED263505

1. Title: Mediation and the "Chilling" Effect of Med-Arb in a Simulated Labor-Management Dispute

2. Principal Author: Peter J. D. Carnevale

Affiliation: College of Business Administration
University of Iowa
Iowa City, Iowa 52242

3. Co-Author: Marya L. Leatherwood, University of Iowa

4. Are you an APA member? Yes.

5. I hereby certify that this paper has not been submitted to any other division of APA and, if this paper is accepted, I promise to deliver it.

Signature_____ Date_____

CG 018662

_____Paper Proposal Cover Sheet.

_____100 word abstract_____copies

_____paper summary_____copies

_____2 self-addressed envelopes

Mediation and the "Chilling" Effect of Med-Arb in a Simulated Labor-Management Dispute

Abstract

The present study examined the influence of two forms of third-party conflict intervention, mediation and mediation-arbitration (med-arb), on the develpoment of integrative agreements in a simulated labor-management negotiation. Med-arb differs from mediation in terms of how much power the third-party has; if the negotiators do not reach their own agreement, the third party decides for them. Consistent with the notion of a "chilling effect," mediation-arbitration resulted in more hostile negotiaton processes, less trust, negotiators using more insulting statements about one another, and more inequitable negotiation outcomes.

Mediation and the "Chilling Effect" of Med-Arb in a Simulated Labor-Management Dispute

The present study examined the influence of two forms of third-party conflict intervention, mediation and mediation-arbitration (med-arb), on the develpoment of integrative agreements in a simulated labor-management negotiation. An integrative agreement is one that reconciles the negotiators' divergent interests and provides them high joint benefit (Follett, 1940; Pruitt & Carnevale, 1982; Walton & McKersie, 1965). Integrative agreements can be contrasted with outcomes that do not reflect negotiators' underlying interests such as compromises, which involve simple decision rules (e.g., "split the difference"), and inequitable outcomes where one party gains substantially more than the other.

Mediation occurs whenever a third party becomes involved in a dispute between others and attempts to resolve it (Kerr, 1954; Pruitt, 1981). The present study examines two forms of such involvement, mediation and mediation-arbitration. In both forms, the negotiators talk with one another and the third party helps them reach a voluntary agreement. Med-arb differs from mediation in terms of how much authority the third-party has. If the negotiators do not reach their own agreement, the third party arbitrates, i.e., has the authority to issue a final outcome decision. Med-arb is often viewed as a high-power form of mediation, and professional labor mediators often refer to it as "mediation with a hammer" (Carnevale & Pegnetter, in press).

There are three possibilities regarding the influence that

mediation and med-arb have on negotiation:

(1) There is no difference between mediation and med-arb. This is suggested by a recent study by Hiltrop and Rubin (1982). These authors had negotiators expect either mediation or med-arb and found no differences on measures of outcome. However, confederates that never interacted with the negotiators were used as third parties. Since there was no interaction between the third parties and negotiators the perceived relative power of the third parties may have been diminished, producing no differences in outcome.

(2) Med-arb produces more integrative outcomes. This is suggested by a recent study by Van Slyck, McGillicuddy, and Pruitt (1984). These authors argued that the anticipation of arbitration by negotiators who are unsophisticated about arbitration would compell them to reach agreement, as found in a study by Johnson and Pruitt (1972). The possibility of arbitration presumably instills in negotiators a fear that the arbitrated decision may go against them, and thus they try hard to reach their own agreements. Using undergraduate psychology majors as subjects, Van Slyck et al. (1984) found support for this. They found no differences between mediation and med-arb for a measure of joint benefit, but more equitable agreements were achieved in med-arb compared to mediation. Also, negotiators in the med-arb condition perceived their interaction as more cooperative than those in the mediation condition.

(3) Med-arb produces fewer integrative outcomes. Negotiators who are sophisticated about arbitration may believe that the arbitrator will decide an outcome that is halfway between their

final offers. Thus, if one does not make any concessions, the arbitrated midpoint will be closer to one's preferred outcome. This is called the "chilling effect": negotiators freeze their concession making.

The present study assessed these three possibilities.

Method

Subjects and Design. The subjects were 160 volunteers who responded to an advertisement promising $4.00 for their participation. Almost all of the subjects were business students. Two third-party intervention conditions were implemented: med-arb and mediation, and also a no-third-party control. Twenty triads or dyads (in the control) were randomly assigned to each condition.

Negotiation task. The negotiation task was similar to one used in our earlier work on integrative bargaining (Pruitt and Carnevale, 1982). It involved four issues: wage rate, cost of living increase, over-time rate, and health benefits. Each negotiator received a chart that presented the issues and the possible settlement levels; the negotiators were allowed to say anything about their chart to the other, but were not allowed to show it to the other. The task had integrative potential in that higher joint outcomes could be achieved if the negotiators exchanged concessions on their low-priority issues. The mediators were not shown the negotiators' payoffs and thus were not aware of the negotiators' priorities.

Procedure. The roles of union representative, management representative, or third party were determined by where the

subject sat when they entered the negotiaton room. In the control condition, no mention was made of a third party. The subjects were given background information about their role and about the four issues and the method for figuring their payoffs. In the med-arb condition, the negotiators were told that if no agreement were reached, the mediator would decide one for them. In the mediation condition, they were told that the negotiation would end unresolved if no agreement were reached. In the no-mediation control, there was no third person, and these negotiators were also told that the negotiation would end unresolved if no aggreement were reached.

The negotiators were given twenty minutes within which to attempt to reach agreement. Prior to the beginning of the negotiation, the third parties read aloud a statement that described their role as either a mediator or a mediator-arbitrator. The experimenter was blind to the third-party condition until the negotiaton began. Tape recordings of the negotiation sessions were made, then transcribed and content analyzed.

RESULTS

Negotiation outcomes. There are four measures of negotiation outcome: (a) Joint outcome, the sum of the outcome achieved by each negotiator, (b) Outcome difference, the difference between their outcomes, (c) The low outcome, the outcome of the negotiator who did worse, and (d) The high outcome, the outcome of the negotiator who did best. As can be seen in Row 1 of Table 1, the highest joint outcomes were obtained in the med-arb condition; next lowest in mediation, and the lowest joint

outcomes were obtained when no third party was present (p's<.05). It is very important to realize, however, that the differences in joint outcome are due entirely to the outcome of the person who did best; the one who did better of the two negotiators did especially well in the med-arb condition (p<.05). Low outcome was not different in the three conditions. The outcome difference variable was also greatest in the med-arb condition (p's<.05). These findings suggest that med-arb produced the most competitive atmosphere, with negotiators trying harder to best one another.

Negotiation Process. Negotiators in the med-arb condition trusted one another the least (Row 5), and made more insulting statements about one another during the negotiation (Row 6); moreover, there was greater interpersonal distance between the negotiators in the med-arb condition, as measured by a count of the number of times they referred to themselves as a unit (e.g., saying "we") divided by the number of times they referred to themselves as individuals (e.g., saying "I") (p's <.05).

The third parties also provided evidence that the med-arb condition produced greater competitiveness than the mediaton condition. They reported that the negotiators in med-arb were more concerned about looking strong (Row 7) and being firm (Row 8); that med-arb produced less trust (Row 9) and cooperation (Row 10); and that the negotiators in the med-arb condition were less friendly and less satisfied with the outcome (all p's<.05).

Discussion

This study departs from earlier studies of mediation by

taking measures of mediator behavior and by examining mediators in a dynamic context where they interact with negotiators.

The results suggest that mediator power, such as found with med-arb, leads to a "chilling effect," producing less trust, less sense of common identity, and more inequitable outcomes between negotiators.

Why do the data from the present study differ so dramatically from those obtained by Van Slyck et al. (1984)? These authors found just the opposite, that med-arb produces greater cooperation than mediation. One reasonable possibility is the subject samples used in the studies. Van Slyck et al. based their hypothesis on the premise that subjects not sophisticated about arbitration would fear an arbitrator's decision and thus coooperate more with one another; they did not use business school students as subjects. The present study did use business students. The discrepancy between the two studies may be explained if we accept Stevens' (1966) argument that negotiators who are sophisticated about arbitration will make fewer concessions, and that the subjects in the present study were more sophisticated about arbitration than in the Van Slyck study.

References

Carnevale, P. J., & Pegnetter, R. (in press). The selection of mediation tactics in public-sector disputes: A contingency analysis. Journal of Social Issues.

Follett, M. P. (1940). Constructive conflict. In H. Metcalf & L. Urwick (Eds.), Dynamic administration. New York: Harper.

Hiltrop, J. M., & Rubin, J. Z. (1982). Effects of intervention mode and conflict of interest on dispute resolution. Journal of Personality and Social Psychology, 42, 665-672.

Johnson, D. F., & Pruitt, D. G. (1972). Pre-intervention effects of mediation versus arbitration. Journal of Applied Psychology, 56, 1-10.

Kerr, C. (1954). Industrial conflict and its resolution. American Journal of Sociology, 60, 230-245.

Pruitt, D. G. (1981). Negotiation behavior. New York: Academic Press.

Pruitt, D. G., & Carnevale, P. J. (1982). The development of integrative agreements. In V. Derlega & J. Grzelak (Eds.), Cooperation and helping behavior. New York: Academic Press.

Stevens, C. M. (1966). Is cumpulsory arbitration compatible with bargaining? Industrial relations, 65, 38-52.

Van Slyck, M. R., McGillicuddy, N. B., & Pruitt, D. G. (1984). Mediation versus Med/Arb. Paper presented at the annual meeting of the American Psychological Association, Toronto.

Walton R. E., & McKersie, R. B. (1965). A behavioral theory of labor negotiations. New York: McGraw-Hill.

Table 1

Measures of Negotiation and Mediation Process for MED-ARB, MEDIATION, and NO MEDIATION Conditions

VARIABLE	MED-ARB	MEDIATION	NO MED
Bargainer:			
1. Joint Outcome	362	348	339
2. Low Outcome	160	161	162
3. High Outcome	202	187	177
4. Outcome Difference	42	26	15
5. Trust	6.85	7.60	8.80
6. Putdowns	.017	.004	.002
7. WE/I	.14	.29	.21
3rd-Party Perceptions:			
8. Look Strong	3.55	2.50	--
9. Firm	4.05	3.10	--
10. Trust	4.10	4.65	--
11. Cooperative	3.90	4.50	--
12. Unfriendly	2.60	2.00	--
13. Satisfied	1.60	2.50	--